

**GOVERNMENT OF INDIA
PANCHAYATI RAJ
LOK SABHA**

UNSTARRED QUESTION NO:1701

ANSWERED ON:28.11.2007

UTILISATION OF FUNDS BY THE PANCHAYATS

Adhalrao Patil Shri Shivaji;Munshiram Shri ;Verma Shri Ravi Prakash

Will the Minister of PANCHAYATI RAJ be pleased to state:

- (a) whether some Panchayats in the country have expressed their inability to utilize funds earmarked for them due to non-availability of district plans;
- (b) if so, the details thereof;
- (c) whether the Union Government has issued any instructions to the Panchayats in this regard;
- (d) if so, the details thereof; and
- (e) the mechanism developed within the Panchayati Raj Institutions to prepare district plans and to monitor the works executed by Gram Panchayats.

Answer

MINISTER OF PANCHAYATI RAJ (SHRI MANI SHANKAR AIYAR)

(a) to (d): The basic constitutional objective of empowerment of Panchayati Raj Institutions (PRIs) is to enable them to function as institutions of self government. Preparation of plans for economic development and social justice and implementation of schemes entrusted to PRIs is written into the Constitution. Utilization of funds by Panchayats at present depends on the role given to them in the Centrally Sponsored Schemes and the schemes along with the funds devolved to them by the State Government. District Planning is the process of preparing an integrated plan for the local government sector in a district taking into account the resources (natural, human and financial) available and covering the sectoral activities and schemes assigned to the district level and below and those implemented through local governments in a State. Planning Commission has issued guidelines to State Governments on 25th August 2006 on the preparation of district plans in a participatory manner by the three tiers of the Panchayats and their consolidation by District Planning Committees set up in accordance with Article 243 ZD of the Constitution. Such a plan would be holistic, participatory and efficient in execution.

(e): Article 243 ZD (3)(d) of the Constitution makes provision for the District Planning Committee to consult such institutions and organisations as the Government may specify in preparing the draft development plan. MoPR has released Rs. 10 lakh per district in the 250 districts covered under Backward Regions Grant Fund (BRGF) programme to enable the districts to access professional support in the preparation of their Annual Plans 2008-09 and 5-year perspective plans for the 11th Plan period.